



Canyon Fuel Company, LLC
Soldier/Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84501

ACT/007/039 #2

(435) 637-6360
Fax (435) 637-0108

FACSIMILE TRANSMITTAL

DATE: 9/22 No. Of Pages (Including Cover Sheet) 8

TO: Jim Smith

COMPANY: DOGM

FROM: Dave Spillman

REMARKS:

Jim,
Steve Demczak called and indicated
that you need an additional copy
of Dugout's 1st quarter monitoring
results (which I've attached).
Call if you have questions.
Thanks,
Dave

CONFIDENTIALITY NOTICE: THIS MESSAGE IS INTENDED FOR THE USE OF THE INDIVIDUAL OR ENTITY DESIGNATED ABOVE, IS CONFIDENTIAL AND MAY CONTAIN INFORMATION THAT IS LEGALLY PRIVILEGED OR EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, COPYING OR USE OF OR RELIANCE UPON THE INFORMATION CONTAINED IN AND TRANSMITTED WITH THIS FACSIMILE TRANSMISSION BY OR TO ANYONE OTHER THAN THE RECIPIENT DESIGNATED ABOVE BY THE SENDER IS NOT AUTHORIZED AND STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY THE SENDER BY TELEPHONE AND RETURN IT TO THE SENDER BY U.S. MAIL, OR DESTROY IT IF AUTHORIZATION IS GRANTED BY THE SENDER. THANK YOU.



Canyon Fuel Company, LLC
Soldier / Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84542
435/637-6360 Fax: 435/637-0108

June 8, 1999

Coal Regulatory Program
Attn.: Daron Haddock
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114

Re: First Quarter 1999 Water Monitoring Report
Dugout Canyon Mine, ACT/007/039
Soldier Canyon Mine, ACT/007/018

Dear Mr. Haddock:

I have enclosed the first quarter 1999 water monitoring report for the Soldier / Dugout Canyon Mines. I have also enclosed Drawing No. D-458 as an update to our current water monitoring program at the Soldier Canyon Mine (SCM).

Please be aware that the surface water points G-2, G-7 and G-8, as well as, the groundwater points 4 & 8 have been removed from the SCM routine monitoring schedule. Our approved M&RP allows monitoring of these sites to be discontinued, once there has been no active mining in the vicinity of these sites for one year. The enclosed drawing depicts the 1998 active mining areas (far western portion of the mine plan area), relative to the location of the aforementioned monitoring sites (far eastern portion of the mine plan area). Furthermore, all active mining operations at SCM were indefinitely suspended in October 1998 and there no plans to resume active mining until the Dugout reserves are depleted.

In 1996 the surface water point G-6 was established on Soldier Creek immediately upstream from the SCM disturbed area. This site was proposed as a replacement for G-1. (G-1 is located more that 2 miles upstream from G-6.) It was determined that monitoring G-6, in conjunction with G-5, would enhance our ability to determine the effects of the mine water discharge on Soldier Creek. Subsequently, G-6 was accepted into the approved M&RP with the agreement that monitoring of G-1 would continue for two years. This two year obligation has now been completed and the routine monitoring of site G-1 shall be discontinued.

Should you have any questions concerning this information, please contact myself (435-636-2872) or Chris Hansen (435-448-2669).

Sincerely,
SOLDIER / DUGOUT CANYON MINES

David G. Spillman, P.E.
Technical Services Manager

enclosures

cc: Chris Hansen, Skyline
DOGM, Price Field Office
Central Files

990608L.doc



Canyon Fuel Company, LLC
Soldier / Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84542
435/637-6360 Fax: 435/637-0108

June 21, 1999

Coal Regulatory Program
Attn.: Daron Haddock
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114

Re: Modification to Water Monitoring Plan
Soldier Canyon Mine, ACT/007/018

Dear Mr. Haddock:

On June 8, 1999, I submitted our 1st quarter 1999 water monitoring report for the Soldier / Dugout Canyon Mines. This submittal also identified several monitoring points, associated with the Soldier Canyon Mine, which may now be dropped in accordance with our approved M&RP. The map which was enclosed (Drawing No. D-458), correctly identified the points to be dropped as surface water points G-1, G-2, G-8 and G-9, as well as, springs 4 and 8. Unfortunately, the cover letter incorrectly identified G-7 instead of G-9 as a monitoring point being discontinued. Please be aware that surface water point G-7 will remain as a viable point and shall be monitored in accordance to our approved M&RP.

I appreciate Jim Smith for bringing this inconsistency to my attention. Should you have any further questions regarding this matter please contact me at (435)636-2872.

Sincerely,
SOLDIER / DUGOUT CANYON MINES

David G. Spillman, P.E.
Technical Services Manager

cc: Chris Hansen, Skyline
DOGM, Price Field Office
Central Files

990621L.DOC
990608L.DOC

CONFIDENTIAL - SECURITY INFORMATION

DUGOUT CANYON MINE WATER MONITORING - 1999

FIRST QUARTER RESULTS

<u>SURFACE WATER</u>	<u>Date</u>	<u>Flow (cfs)</u>	<u>Water Temp (deg C)</u>	<u>pH</u>	<u>Conductivity</u>	<u>Dissolved O₂</u>
DC-1(G-11)	03-08-99	0.0538	10.0	7.67	1317	7
DC-2(G-12)	03-08-99	0.0295	7.2	8.16	871	8
DC-3(G-13)	03-08-99	**inaccessible	NA	NA	NA	NA
MD-1	03-08-99	0.0338	10.6	7.72	825	NA

<u>GROUND WATER</u>						
SC-14(14,S-14)	03-08-99	**inaccessible	NA	NA	NA	NA
SP-20(20,S-20)	03-08-99	**inaccessible	NA	NA	NA	NA
SC-65(65,S-65)	03-08-99	**inaccessible	NA	NA	NA	NA
SC-100(100,S-100)	03-08-99	**inaccessible	NA	NA	NA	NA

<u>WELLS</u>	<u>DATE</u>	<u>DEPTH</u>
GW-10-2(10-2)	03-08-99	**inaccessible
GW-11-2(11-2)	03-08-99	**inaccessible
GW-24-1(24-1)	03-08-99	**inaccessible

- *Due to ice and snow accumulations sites were inaccessible for accurate flow measurements.
- **Site was inaccessible for monitoring.

NOTE: Identification numbers listed above which are bold represent the nomenclature used in the permits. Identification numbers in the parentheses represent nomenclature used in Mayo's report or other nomenclature used in the past.

ACZ Laboratories, Inc.
2773 Downhill Drive
Steamboat Springs, CO 80487
(800) 334-5493

Soldier Creek Coal Company
P.O. Box 1029
Wellington, UT 84542
Dave Spillman

Lab Sample ID: L22305-07
Client Sample ID: DC-1
Client Project ID:
ACZ Report ID: RG88406

Date Sampled: 3/8/99 08:00
Date Received: 3/10/99
Date Reported: 3/25/99

Sample Matrix: Surface Water

Metals Analysis

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Calcium, dissolved	M200.7 ICP	68.8		mg/L	0.2	1	3/13/99	kr
Iron, dissolved	M200.7 ICP		U	mg/L	0.01	0.05	3/13/99	kr
Iron, total	M200.7 ICP	0.09		mg/L	0.01	0.05	3/17/99	gg
Magnesium, dissolved	M200.7 ICP	59.7		mg/L	0.2	1	3/13/99	kr
Manganese, dissolved	M200.7 ICP		U	mg/L	0.005	0.03	3/13/99	kr
Manganese, total	M200.7 ICP	0.009	B	mg/L	0.005	0.03	3/17/99	gg
Potassium, dissolved	M200.7 ICP	2.3		mg/L	0.3	1	3/13/99	kr
Sodium, dissolved	M200.7 ICP	27.2		mg/L	0.3	1	3/13/99	kr

Metals Prep

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Total Hot Plate Digestion	M3010 ICP						3/17/99	laa

Wet Chemistry

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Alkalinity as CaCO ₃	M310.1							
Bicarbonate as CaCO ₃		323		mg/L	2	10	3/11/99	cc
Carbonate as CaCO ₃			U	mg/L	2	10	3/11/99	cc
Hydroxide as CaCO ₃			U	mg/L	2	10	3/11/99	cc
Total Alkalinity		323		mg/L	2	10	3/11/99	cc
Cation-Anion Balance	Calculation							
Cation-Anion Balance		-1.0		%			3/25/99	calc
Sum of Anions		9.7		meq/L	0.1	0.5	3/25/99	calc
Sum of Cations		9.5		meq/L	0.1	0.5	3/25/99	calc
Chloride	M325.2 - Colorimetric (RFA)	10		mg/L	1	5	3/12/99	bg
Fluoride	M340.2 - ISE	0.3	B	mg/L	0.1	0.5	3/23/99	cc
Hardness as CaCO ₃	SM2340B - Calculation	417		mg/L	1	7	3/25/99	calc
Lab Filtration	***						3/10/99	cc
Lab Filtration & Acidification	***						3/11/99	laa
Oil & Grease, Total Recoverable	M413.1 - Gravimetric		U	mg/L	2	10	3/12/99	mh
Residue, Filterable (TDS) @180C	M160.1 - Gravimetric	510		mg/L	10	20	3/11/99	cc
Residue, Non-Filterable (TSS) @103-5C	M160.2 - Gravimetric	6	B	mg/L	5	20	3/11/99	cc
Sodium Absorption Ratio in Water	USGS - 11738-78	0.58			0.03	0.15	3/25/99	calc
Sulfate	M375.3 - Gravimetric	140		mg/L	10	20	3/12/99	cc/cd
TDS (calculated)	Calculation	502		mg/L	10	50	3/25/99	calc
TDS (ratio - measured/calculated)	Calculation	1.02					3/25/99	calc

Inorganic Qualifiers (based on EPA CLP 3/90)

U = Analyte was analyzed for but not detected at the indicated MDL

B = Analyte concentration detected at a value between MDL and PQL

PQL = Practical Quantitation Limit

R. V. Poulsen

Vice President of Operations: Ralph Poulsen

ACZ Laboratories, Inc.
2773 Downhill Drive
Steamboat Springs, CO 80487
(800) 334-5493

Soldier Creek Coal Company
P.O. Box 1029
Wellington, UT 84542
Dave Spillman

Lab Sample ID: L22305-05
Client Sample ID: DC-2
Client Project ID:
ACZ Report ID: RG88404

Date Sampled: 3/8/99 08:48
Date Received: 3/10/99
Date Reported: 3/25/99

Sample Matrix: Surface Water

Metals Analysis

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Calcium, dissolved	M200.7 ICP	65.4		mg/L	0.2	1	3/13/99	kr
Iron, dissolved	M200.7 ICP		U	mg/L	0.01	0.05	3/13/99	kr
Iron, total	M200.7 ICP	0.02	B	mg/L	0.01	0.05	3/17/99	gg
Magnesium, dissolved	M200.7 ICP	57.1		mg/L	0.2	1	3/13/99	kr
Manganese, dissolved	M200.7 ICP		U	mg/L	0.005	0.03	3/13/99	kr
Manganese, total	M200.7 ICP	0.008	B	mg/L	0.005	0.03	3/17/99	gg
Potassium, dissolved	M200.7 ICP	2.1		mg/L	0.3	1	3/13/99	kr
Sodium, dissolved	M200.7 ICP	26.0		mg/L	0.3	1	3/13/99	kr

Metals Prep

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Total Hot Plate Digestion	M3010 ICP						3/17/99	laa

Wet Chemistry

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Alkalinity as CaCO ₃	M310.1							
Bicarbonate as CaCO ₃		320		mg/L	2	10	3/11/99	cc
Carbonate as CaCO ₃			U	mg/L	2	10	3/11/99	cc
Hydroxide as CaCO ₃			U	mg/L	2	10	3/11/99	cc
Total Alkalinity		320		mg/L	2	10	3/11/99	cc
Cation-Anion Balance	Calculation							
Cation-Anion Balance		-3.7		%			3/25/99	calc
Sum of Anions		9.8		meq/L	0.1	0.5	3/25/99	calc
Sum of Cations		9.1		meq/L	0.1	0.5	3/25/99	calc
Chloride	M325.2 - Colorimetric (RFA)	9		mg/L	1	5	3/12/99	bg
Fluoride	MJ40.2 - ISE	0.3	B	mg/L	0.1	0.5	3/16/99	cc
Hardness as CaCO ₃	SM2340B - Calculation	398		mg/L	1	7	3/25/99	calc
Lab Filtration	***						3/10/99	cc
Lab Filtration & Acidification	***						3/11/99	laa
Oil & Grease, Total Recoverable	M413.1 - Gravimetric		U	mg/L	2	10	3/12/99	mh
Residue, Filterable (TDS) @180C	M160.1 - Gravimetric	530		mg/L	10	20	3/10/99	cc
Residue, Non-Filterable (TSS) @103-5C	M160.2 - Gravimetric	6	B	mg/L	5	20	3/10/99	cd
Sodium Absorption Ratio in Water	USGS - 11738-78	0.57			0.03	0.15	3/25/99	calc
Sulfate	M375.3 - Gravimetric	150		mg/L	10	20	3/12/99	cc/cd
TDS (calculated)	Calculation	502		mg/L	10	50	3/25/99	calc
TDS (ratio - measured/calculated)	Calculation	1.06					3/25/99	calc

Inorganic Qualifiers (Based on EPA CLP 3/90)

U = Analyte was analyzed for but not detected at the indicated MDL
B = Analyte concentration detected at a value between MDL and PQL
PQL = Practical Quantitation Limit

Vice President of Operations: Ralph Poulsen

ACZ Laboratories, Inc.
2773 Downhill Drive
Steamboat Springs, CO 80487
(800) 334-5493

Soldier Creek Coal Company
P.O. Box 1029
Wellington, UT 84542
Dave Spillman

Lab Sample ID: L22305-06
Client Sample ID: MD-1
Client Project ID:
ACZ Report ID: RG88405

Date Sampled: 3/8/99 08:55
Date Received: 3/10/99
Date Reported: 3/25/99

Sample Matrix: Surface Water

Metals Analysis

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Calcium, dissolved	M200.7 ICP	67.0		mg/L	0.2	1	3/13/99	kr
Iron, dissolved	M200.7 ICP	0.01	B	mg/L	0.01	0.05	3/13/99	kr
Iron, total	M200.7 ICP	0.06		mg/L	0.01	0.05	3/17/99	gg
Magnesium, dissolved	M200.7 ICP	55.3		mg/L	0.2	1	3/13/99	kr
Manganese, dissolved	M200.7 ICP	0.010	B	mg/L	0.005	0.03	3/13/99	kr
Manganese, total	M200.7 ICP	0.018	B	mg/L	0.005	0.03	3/17/99	gg
Potassium, dissolved	M200.7 ICP	4.2		mg/L	0.3	1	3/13/99	kr
Sodium, dissolved	M200.7 ICP	24.1		mg/L	0.3	1	3/13/99	kr

Metals Prep

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Total Hot Plate Digestion	M3010 ICP						3/17/99	laa

Wet Chemistry

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Alkalinity as CaCO ₃	M310.1							
Bicarbonate as CaCO ₃		335		mg/L	2	10	3/11/99	cc
Carbonate as CaCO ₃			U	mg/L	2	10	3/11/99	cc
Hydroxide as CaCO ₃			U	mg/L	2	10	3/11/99	cc
Total Alkalinity		335		mg/L	2	10	3/11/99	cc
Cation-Anion Balance	Calculation							
Cation-Anion Balance		0.6		%			3/25/99	calc
Sum of Anions		8.9		meq/L	0.1	0.5	3/25/99	calc
Sum of Cations		9.0		meq/L	0.1	0.5	3/25/99	calc
Chloride	M325.2 - Colorimetric (RFA)	11		mg/L	1	5	3/12/99	bg
Fluoride	M340.2 - ISE	0.3	B	mg/L	0.1	0.5	3/23/99	cc
Hardness as CaCO ₃	SM2340B - Calculation	395		mg/L	1	7	3/25/99	calc
Lab Filtration	...						3/10/99	cc
Lab Filtration & Acidification	...						3/11/99	laa
Oil & Grease, Total Recoverable	M413.1 - Gravimetric		U	mg/L	2	10	3/12/99	mh
Residue, Filterable (TDS) @180C	M160.1 - Gravimetric	530		mg/L	10	20	3/11/99	cc
Residue, Non-Filterable (TSS) @103-5C	M160.2 - Gravimetric		U	mg/L	5	20	3/10/99	cd
Sodium Absorption Ratio in Water	USGS - 11738-78	0.53			0.03	0.15	3/25/99	calc
Sulfate	M375.3 - Gravimetric	90		mg/L	10	20	3/12/99	cc/cd
TDS (calculated)	Calculation	453		mg/L	10	50	3/25/99	calc
TDS (ratio - measured/calculated)	Calculation	1.17					3/25/99	calc

Inorganic Qualities (Based on EPA CUP 350)

U = Analyte was analyzed for but not detected at the indicated MDL

B = Analyte concentration detected at a value between MDL and PQL

PQL = Practical Quantitation Limit

Vice President of Operations: Ralph Poulsen